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SOURCE **Ta Kung Pao.****Hsu-chou, Su-chou RESTORE INDUSTRIES****INDUSTRY REPORTS IN Hsu-chou -- Ta Kung Pao, 2 Sep 49**

Industry in Hsu-chou has been expanding rapidly since the beginning of 1949. The city register shows that in May 1949 there were 10,000 factories and business firms, and that 2,000 of the factories are privately owned. Before the liberation, there were only 55 factories and 3,839 business firms in this city.

Conditions in the principal industries during the first half of 1949 are as follows:

Mechanized Flour Mills

Many new mechanized flour mills were established in Hsu-chou immediately after the liberation. Previously, during the Japanese and KMT regimes, there were only 17 flour mills in this city. Of the 1,500 kilowatts of electric power allotted the city during those periods, 40 percent was consumed by such unimportant places as military officials' quarters, public halls, and dance halls. As a result, power required to operate mills was cut off during most of the nights. Even during daytime, a mere 1,000 kilowatts were allowed for mill operation instead of the 2,400 kilowatts which were actually needed.

At present there are 21 flour mills in Hsu-chou, compared to 17 prior to liberation.

Mechanized Iron Works

Prior to liberation, Hsu-chou had 57 mechanized iron works; now there are 350, of which 13 are capable of turning out small machinery. Prior to liberation, 23 of the plants used electric power to operate their machinery, while all others operated then manually or by animal power. Most of these iron works were equipped with lathes, drills, planes, and iron smelting furnaces. They produced and repaired oil and other presses, cotton fluffers, and cotton gins. The biggest problem during the Japanese and KMT regimes was to obtain sufficient iron ore and coal. No such problem exists today.

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Small iron works are now manufacturing such farm implements as shovels and sickles. The Hua-tung (East China) Iron Works formerly had nine workers and all machinery was hand-operated. In March 1949, hand-operated machinery was converted into power-operated machinery after the installation of one 6-horsepower motor. The workers were increased to 14. Preparations are being made to manufacture cotton fluffers and cotton gins.

Other iron works are located in Hua-sheng, Hsing-sheng, and Su-feng-ch'ang. One or more motors have been installed in each factory. The motors range from 24 to 54 horsepower. Thus all manually-operated machinery in these factories has been converted into power-operated machinery since the liberation.

Copperware Manufacturing Plants

In 1948 there were approximately 60 copperware manufacturing plants in Su-chou. This year there are more than 120, not including 10 new plants on which construction was recently begun. Most of the copperware plants specialize in manufacturing domestic utensils such as bowls, kettles, pots, and spoons.

The Te-ch'u-hsiang Bowl Manufacturing Plant employs 18 workers. It is capable of producing about 100 copper bowls daily. Besides this, the plant has two small shops. Each shop uses 3 persons to make 30 copper kettles daily.

Other Factories and Business Firms

Included in this category are approximately 2,000 large and small factories and business firms. Most of these plants and business houses are now expanding production. There are 500 cotton mills, which produced 4,000 bolts of cotton cloth during April and May 1949. There are more than 260 coal companies, compared to 30 or 40 before liberation. Restaurants increased from 108 before the liberation to 240. Leather farm-equipment factories increased from 10 to 20. Bamboo goods manufacturing plants increased from 40 to 80. Besides these, there are leather tanneries, electric appliances factories, shoe factories, fertilizer manufacturing plants, and many others.

SU-CHOU RECONSTRUCTS INDUSTRY -- Ta Kung Pao, 19 Aug 49

Shang-hai -- Only 3 months after the liberation, the industries in Su-chou (Soochow) are already beginning to produce again. However, for a complete recovery, they must first solve the following problems confronting them: (1) a limited market, (2) lack of capital, and (3) lack of raw materials.

As for acquiring of wider market for their manufactured goods, it is necessary that centralized commercial firms be established to control and stimulate the flow of goods from Su-chou to the north and to bring in raw materials from the north to Su-chou. This type of establishment will not only eliminate speculation by individual merchants, but will guarantee food and daily necessities to the people of Su-chou.

As to overcoming financial difficulties, the Su-chou branch of the People's Bank is now lending money to industries. Loans from this bank during the first half of August totalled 37 million yuan. Of this amount, 40 percent went to state enterprises (T'ai-lu Coal Mine and China Silk Spinning Mill) and remainder went to private factories (Su-chou Cotton Weaving and Dyeing Mill, Su-chou Electric Company, Su-chou Flour Mill, Tung-wu Silk Factory, and Ta-i Iron Works). The raw material shortage is expected to be solved as soon as transportation resumes normal operations.

The T'ai-lu Coal Mine has increased its daily output from 30 to 50 tons, and the quality of coal has also improved.

The Su-chou Flour Mill, which opened on 15 July, has produced 11,957 sacks of flour in 15 days, an hourly output of 88 sacks.

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